



May 14, 2014

Item No. 15

AUTHORIZATION TO EXECUTE AN AGREEMENT TO ENTER INTO A HOUSING ASSISTANCE PAYMENTS CONTRACT FOR BELRAY APARTMENTS & MAJOR JENKINS

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (Board) approve the attached Resolution authorizing the Chief Executive Officer (CEO) or his designee to 1.) execute an Agreement to enter into a Housing Assistance Payments Contract (AHAP) for Belray Apartments & Major Jenkins; 2.) execute a Housing Assistance Payments Contract (HAP) for Belray Apartments & Major Jenkins and 3.) execute all other documents as may be necessary or appropriate to implement the foregoing.

CORPORATE GOAL

The proposed contract supports Plan Forward Goal #1: coordinating public and private investments to develop healthy, vibrant communities.

This contract will result in more affordable housing opportunities for individuals by providing Property Rental Assistance (PRA) for up to 150 apartments as detailed below.

FUNDING: HUD Enhanced Vouchers and/or Housing Choice Voucher Program (HCV)

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
Belray Apartments	Lakeview/ 32 nd Ward/ Scott Waguespack	Mercy Housing Lakefront/MHL Uptown 2 LLC	Individuals	70	70
Major Jenkins	Uptown/ 48 th Ward/ Harry Osterman			80	160

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Estimated Contract	Total Estimated Contract	Application Received
Belray Apartments	HUD Enhanced Voucher and/or HCV Program	15 Years	AHAP/HAP Contract	\$1,250,640/ year	\$21,627,840 (15 years)	March 2014
Major Jenkins						

Proposed Development

Belray Apartments

- Substantial Rehabilitation and Preservation of an occupied 4-story elevator building containing 70 studio apartments in the Lakeview community area. All 70 units are currently subsidized under the HUD-funded Moderate Rehabilitation (Mod Rehab) program, administered by the Chicago Housing Authority (CHA).

Major Jenkins

- Substantial Rehabilitation and Preservation of an occupied 4-story elevator building containing 160 studio apartments in the Uptown community area. Of the 160 units, 80 are currently under PRA and the other 80 are subsidized under the Mod Rehab program.

For both properties, when the owner opts out of the Mod Rehab contract, HUD provides enhanced vouchers which residents can elect to be project-based.

Building amenities for both properties include a community room and large kitchen, laundry facilities, a Tenant Leadership Program, art therapy, resident activities, on-site property management and supportive services offices.

Developer Background: Mercy Housing Lakefront

- Mercy Housing Lakefront (MHL) has over 28 years of experience in developing and managing affordable housing throughout Chicago and Southeast Wisconsin.
- MHL's national portfolio is comprised of nearly 15,000 units in 241 developments. Of these, 125 developments consisting of 8,818 units were developed using Low Income Housing Tax Credits.
- Mercy Housing Management Group will continue to serve as the property manager.

Waiting List / Occupancy Process

It is the intent of the owner/manager of Belray Apartments and Major Jenkins to lease all of the PRA-assisted units to eligible individuals from the CHA's wait lists. CHA will refer families from the Public Housing and PRA wait lists as well as families whose right of return under the Relocation Rights Contract has not been satisfied. The CHA wait lists will be exhausted prior to utilization of a site-based waiting list. Current residents who elect to convert their enhanced voucher to PRA will remain in their units and at turnover, the owner/manager will follow the occupancy process outlined above.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable CHA board policies and all applicable federal procurement laws.

The Chief Housing Officer concurs with the recommendation to execute an AHAP and HAP contract for Belray Apartments & Major Jenkins.

The CEO/President recommends the approval to execute an AHAP and HAP contract for Belray Apartments & Major Jenkins.

RESOLUTION NO. 2014-CHA-55

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated May 14, 2014 requesting authorization to execute an AHAP and HAP contract for PRA assistance for Belray Apartments & Major Jenkins;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute an AHAP and HAP contract for PRA assistance for Belray Apartments & Major Jenkins.



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